



**DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
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IN REPLY
REFER TO AQOF

JUL 21 1997

MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS
COMMANDERS, CONTRACT ADMINISTRATION OFFICES
(CAOs)
AQO Team Chiefs

SUBJECT: DCMC Memorandum No. 97-69, Senior Functional Advisor (SFA) Concept of
Operations (POLICY)

This is a POLICY memorandum. It is effective until content is included in DLAD 5000.4, superseded or rescinded. This letter rescinds DCMC Policy Memorandum No. 97-25, same subject, dated February 25, 1997. Target Audience: All DCMC personnel.

Because the quality of our services and consequently the viability of the Defense Contract Management Command (DCMC) are almost entirely dependent upon the skills, knowledge and expertise of the workforce, it is critical that these attributes be developed and maintained at the highest levels. Since the November 1996 DCMC Commander's Conference, we have had dialogue with the District Commanders and Operations Directors, and the SFA Management Action Team, to finalize the SFA Concept of Operations. This letter addresses only SFAs for the core areas of contracts, quality assurance, pricing, engineering and industrial processes. Additional skill areas beyond these 5 will be addressed in future correspondence. Based on servicing ratio and geography, an individual SFA may cover one or more CAOs depending upon the specialty. Attachment 1 summarizes the SFA concept. Attachment 2 shows the approximate distribution of SFAs. The final distribution will be decided by the Districts. Attachment 3 provides a list of "Frequently Asked Questions" about SFAs.

The District will be the selection authority for all CAO level SFAs and the District will decide the duty station for those SFAs that support more than one CAO. For those organizations that already have a Subject Matter Expert (SME), SME duties may supplement the SFA duties, but not duplicate them. Of course, a current SME can also apply for an SFA position. Although an SFA would be located in the Technical Assessment Group of the assigned CAO, the SFA reports to the District for appraisal purposes. At the District level, there will be one SFA for each of the core specialties and also at HQ DCMC to ensure consistency in policy implementation and guidance. Although DCMDI will also have SFAs, their arrangement will be somewhat different and will be addressed separately. The DLA-AFGE Partnership Council has been briefed on this concept and we will keep our bargaining unit partners involved as we implement this concept.



This network of approximately 100 CAO, 15 District and five HQ DCMC SFAs is a support structure to multifunctional teams. They are not a separate chain of command. The SFA network will facilitate DCMC as a learning organization where the rapid changes in our business get communicated quickly and consistently to all levels. Just as important, we will be able to receive quick feedback on implementation problems.

I look forward to your support in establishing this SFA network. The future of DCMC depends on the skills of its people to ensure we are the provider of choice in contract management. Please address any questions to Colonel Barry Harper, at DSN 427-3396 or (703) 767-3396, fax (703) 767-2460, email address is barry_harper@hq.dla.mil, or Ms. Penny Kingsbury, at DSN 427-3372 or (703) 767-3372, fax (703) 767-2364, email address is penelope_kingsbury@hq.dla.mil.



ROBERT W. DREWES
Major General, USAF
Commander

Attachments

The Defense Contract Management Command (DCMC) Senior Functional
Advisor (SFA) Concept

BACKGROUND:

1. The strength of any organization is wholly dependent upon the strength of the skills and expertise of its workforce. Since the inception of contract administration services in the Department of Defense as an organization until 1994, personnel performing certain skill sets worked in an organizational structure that was functional in nature, with policy direction also organized in that fashion. This contract administration services organization is now called DCMC.

2. In 1994, the Director of the Defense Logistic Agency, the agency to which the Command reports, made the decision to remove the functional structure, or stovepipes, and perform the work of the organization within multifunctional teams. This type of organizational structure has proven to break down the barriers impeding communication required to satisfy the Agency/Command customers.

3. The decision was implemented by DCMC shortly thereafter with the storefront concept. Under the storefront concept, each contract administration office (CAO), would be structured to have an Operations Group, and a Technical Assessment Group, (TAG). The TAG was chartered to provide ...support to operations teams in such ...core processes as quality assurance, engineering and contract management. Each CAO was given the authority to determine the staffing architecture below this level based upon the type of work performed, the organization's customer base, or other unique requirement. While there does appear to be almost unanimous recognition of the need for functional focus, this responsibility was not performed with DCMC-wide consistency or clarity. Functional subject matter experts, exist in most CAOs, but their roles, missions and organizational assignments vary widely.

4. There has been a growing concern at all levels in the organization, that this lack of functional skill focus on a consistent basis, could result in a degradation of functional skills over time. In addition, due to acquisition reform legislation and a need for continuous improvement driven by a changing environment, DCMC will need to be more proactive in our efforts to prepare our workforce for the challenges of the 21st century. To ensure that DCMC has this requisite level of talent to assume major roles in acquisition planning, acquisition reform and acquisition strategy forums, a continuous focus on learning is required. As a result, a management action team (MAT) was chartered to focus on five core skill areas of the Command. Upon implementation of the concept, management will review the need for providing functional focus on the remaining skills. The choice of these five skills does not in any way demean the important functions performed by all personnel in the Command.

The MAT charter follows:

ATT 1

Charter: Develop a concept of operations for the Technical Assessment Group which delineates the duties, responsibilities and relationships of Senior Functional Advisor positions in the areas of Engineering, Contract Administration, Quality, Manufacturing and Price and Cost Analysis.

MAT Membership: Janet Reardon, DCMC Dallas
Leo Lavigne, DCMC Boston
Colin Holman, DCMC San Diego
Jim Kenny, DCMDE (Human Resources)
JoAnn Barnicki, DCMDW (Human Resources)

MAT ANALYSIS

1. The MAT first studied organization alignments at many of the CAOs across the Command and obtained ideas and inputs from dozens of staff and field level personnel. From the interviews performed by the MAT, it became apparent that the concern was widespread throughout the Command.

2. In addition, the MAT studied current research that has been performed on the numerous organizations, both in private industry and in government organizations. It was apparent from the research that many organizations have come up with different solutions to the problem that are appropriate for their particular structure and alignment.

3. The MAT found in many research documents, that a multifunctional team organization structure had the unintended consequence of skill degradation over time, unless some mechanism is put in place to support them, like functional experts/mentors. This research, therefore, resulted in a substantiation of the perceptions of those interviewed. The MAT did not seek to determine whether there had in fact been a degradation of skills in the organization, as it was not part of the charter, but felt it was important to set in place a process to ensure skill maintenance and growth for additional changes we can expect the future will bring.

4. The MAT found that these functional experts were called by various titles. For instance, in one article titled, "Maintaining Expertise in Multi-Skilled Teams," by Janice Klein, the title change agent was chosen to represent this function. Their role was to scan the environment--both internally and externally--for new innovations. They were to see themselves as suppliers to the line teams. Another article titled, "Integrated Product Development Teams," by Janice Klein and Patrick Maurer, called the people performing this function "integrators." Within the DCMC, many offices have had a number of personnel designated as subject matter experts, who have performed to varying levels this function.

5. As a result of MAT analysis, the MAT determined that there was a need to have experts throughout the Command to perform this function. The MAT has used the term "Senior Functional Advisor" (SFA) to describe the job title of these individuals. In addition, a concept of operations slowly developed and matured

through further discussions with personnel at all levels in the organization. The MAT's Concept of Operations is described below.

CONCEPT OF OPERATIONS

1. Senior Functional Advisor Mission: Provide functional expertise to ensure proper risk-based application of contract administration service (CAS). Provide assistance/assessment to help ensure compliance with current and emerging regulations, policies and performance goals to facilitate the organization's change and transition to higher levels of operation and product/service delivery. Mentor all personnel performing the designated functions, regardless of their series.

2. SFA Characteristics: In staffing these positions, panels and selected officials will be seeking individuals with the following skills:

- a. A broad base of experience in contract management.
- b. Experts in their functional specialty with a thorough understanding of how their function interfaces with other acquisition disciplines.
- c. Excellent communicators equally proficient and comfortable mentoring an individual, or speaking to a large group.
- d. Knowledge of team dynamics and adept at facilitating workforce transitions from standard contract oversight methods to innovative surveillance philosophies and techniques.

3. Allocation: There will be five, GS-15, SFAs at DCMC HQ, and five, GS-14, SFAs at each District. CAO level positions will be GS-13s. In order to provide for an even distribution of workload, the CAO SFA positions will be allocated to groupings of CAOs by the East and West District (International District will accommodate the needs of the workforce based upon a scheme designed to accommodate their unique structure). A ratio of 1:90 functional constituents to each SFA, adjusted for SFAs servicing multiple CAOs was selected. For example, CAOs A, B, and C may have the requisite number of 1150, Industrial Specialists, to justify one SFA. That SFA would serve as an equal asset to all functional constituents. Job Opportunity Announcements (JOAs), will be issued by the District office cognizant of those CAOs, District-wide, with selections made at the District level. A panel including representatives from CAOs will assist in the interview process. The number of SFA positions at the CAO level is a total of 50 in the West and 53 in the East. The Districts may seek to adjust this number within their FTE numbers. The District will also determine the actual duty station for the SFA.

4. Command and Control: At DCMC HQ, the SFAs will report to various AQO policy team chiefs. At the District, they will report to the Operations Directorate. At the CAO level, the SFAs will report to the District Operations Directorate for supervision and appraisal purposes. Performance appraisal

informal input will be obtained from all organizations served by the SFA. Day-to-day administrative support will be provided by the CAO TAG Chief at the duty station of the SFA. This support will include providing the SFA a workstation, computer, and pager/cellular phone if SFA is servicing more than one office, to ensure the SFA will be readily accessible to all serviced employees under their responsibility. A support chain of SFAs will exist at the District and HQ DCMC levels to ensure consistent execution of the SFA responsibilities and to tie together this network of knowledgeable functional experts. At the HQ and District levels, the SFA will be involved in working with various functional boards to update material in formal courses.

5. SFA Duties and Responsibilities:

The duties of the SFAs fall within the following three areas:

- a. Functional advocacy
- b. Assistance
- c. Assessment

a. Functional advocacy: Performing this duty, the SFA is the functional flag bearer for his/her constituents. This will include staying current on new surveillance technologies, industry trends and acquisition policies and making sure this information has been properly disseminated and consistently implemented. The SFA here is a change agent, responsible for facilitating the organizations' transition to higher and more sophisticated levels of surveillance through automation and risk based oversight and insight. SFAs are available for special projects chartered by HQ DCMC and the Districts which require field level expertise and will assist in the development of CAO performance plans and team goals.

b. Assistance: The SFA will serve as teacher, coach, and mentor, working one-on-one or in large groups as appropriate, ensuring that the functional constituents have both the knowledge of their functional area and the skills to translate this knowledge into value added products and services. The SFA must work closely with the Operations Group team leaders helping them build functional expertise in areas where they may have had little experience prior to assuming their multi-function responsibilities. The SFA will encourage participation in professional organizations to foster the acquisition of information and professional technology available in these forums. Finally, the SFA will serve as a benchmark clearing house for functional tools and techniques helping to cross-pollinate good ideas between CAOs and among operational teams.

c. Assessment: The SFA will have a role working with the functional specialists and team leaders in a coaching capacity to identify areas where the quality of our work can be strengthened and devising appropriate courses of corrective action. SFAs will be measured on the quality of products and services provided by the teams, not on how many problems or discrepancies they find in the course of their assessment role. SFAs will also participate in Unit-Self-Assessments lending their expertise and experience to these comprehensive reviews.

At the bottom-line, the SFA is responsible for building within his or her functional constituents, both the expertise to deliver quality products and services and a commitment to continually hone and refine this expertise and acquire new skills.

6. SFA/Operations Team Leader Relationship: The Operations Team Leader at the CAOs is the SFA's principal customer. Success for the SFA will be judged in large measure by the success of their functional constituents on the operations team. While the Operations Team leader is fully responsible for the products and services delivered by the team, the skills, expertise, and proficiency of the team members, are a shared responsibility between the supervisory Team leader and the SFA.

7. SFA/Subject Matter Expert (SME) Relationship: Many CAOs currently have personnel called by various titles like, SMEs, Functional Coordinators, Process Champions, etc., who serve full or part-time as the focus for individual functional series tasks and responsibilities. Due to the fact that there are not an equal number of constituents in each series in each CAO, the workload and impact of these individuals varies greatly. Where these employees have been performing duties that have focused on improving the expertise of the workforce through skills assessments, mentoring and the development of new surveillance techniques, to varying extents, the primary responsibility for those functions will transfer to the SFA. If supportable by the CAOs' business case, these SME type positions can be retained to coordinate data calls, metrics collection and other operational requirements impacting a single CAO functional series. Where affordable and needed, the SME can also be a valuable complement to the SFA, working under his/her technical guidance to monitor and reinforce the SFA skills building initiatives.

8. Bargaining Unit Affiliation: The SFA positions at the CAO and the District will be non-supervisory and are considered part of the bargaining unit. The HQ DCMC level SFAs are also non-supervisory, but they are considered "Management Officials" and are not part of the bargaining unit.

Estimated SFA Distribution by Geographic DCMC East SLFAs

(Actual SFA Coverage and Duty Station will be Determine by Its District)

1102 Contracts	108 Stratford Syracuse Hartford	42 Long Island New York	34 Philadelphia Reading Springfield	88 Baltimore	96 Detroit Cleveland Pittsburgh	92 Dayton Indianapolis Grand Rapids	109 Boston	64 Clearwater Orlando	103 Atlanta Birmingham	73 Philadelphia Reading
1102 Pricing	60 Boston Hartford Stratford	39 Baltimore Reading Philadelphia Pittsburgh	42 Detroit Cleveland Dayton Indianapolis Grand Rapids	36 Birmingham Atlanta Orlando Clearwater	39 Long Island New York Springfield Syracuse					
1150 Mfg	64 Boston	83 Philadelphia Reading New York Long Island	72 Grand Rapids Indianapolis Dayton Detroit	68 Philadelphia Cleveland Reading Pittsburgh	73 Atlanta Baltimore	36 Syracuse Hartford Stratford	77 Clearwater Orlando Birmingham			
8xx Engineer	86 Boston Hartford	75 Pittsburgh Reading Philadelphia Baltimore Cleveland	92 Grand Rapids Indianapolis Dayton Detroit Springfield	85 Birmingham Atlanta Clearwater Orlando	98 Stratford Syracuse Long Island New York					
1910 Quality	142 Boston (2)	81 Boston Pros	99 Hartford	78 Hartford PROs	81 Stratford	61 New York	118 Long Island (2)	122 Philadelphia		
	154 Springfield (2)	95 Reading	85 Philadelphia PROs	113 Syracuse	121 Baltimore	129 Atlanta	110 Birmingham (Less Michoud)	166 Clearwater Orlando (2)		
	152 Dayton (2)	139 Cleveland Pittsburgh (2)	49 Indianapolis	130 Detroit Grand Rapids						

Estimated SFA Distribution by Geographic DCMC West SLFAs
 (Actual SFA Coverage and Duty Station will be Determine by Its District)

1102 Contracts	55 Chicago	83 St. Louis Wichita	67 San Francisco	25 San Diego	70 Dallas San Antonio	53 Dallas San Antonio PROs	81 Van Nuys Rockwell	88 Santa Ana	44 Denver	58 Twin Cities	61 LA PROs	55 Phoenix	42 Seattle
1102 Pricing	49 Chicago St. Louis Twin Cities Wichita	22 San Diego Santa Ana	30 San Francisco Seattle	25 LA PROs	27 Van Nuys	32 Phoenix Denver	36 Dallas San Antonio						
1150 Mfg	103 Chicago Twin Cities St. Louis Wichita	87 Dallas San Antonio	129 Van Nuys San Diego Santa Ana	31 Denver	42 San Francisco Seattle	20 Phoenix							
8xx Engineer	120 Santa Ana San Diego Van Nuys	34 Seattle San Francisco	99 Chicago Twin Cities St. Louis Wichita	70 Dallas San Antonio	33 Denver	24 Phoenix							
1910 Quality	103 St. Louis	186 Santa Ana	125 Northrop Rockwell Hughes	88 Phoenix	108 Dallas	87 Dallas PROs	107 Denver	56 Thiokol	105 Twin Cities				
	74 Seattle	112 Chicago	84 San Antonio	143 San Francisco	186 Van Nuys	45 Tucson	62 MDACs	51 San Diego	66 Wichita				

Senior Functional Advisors

“Frequently Asked Questions”

Question #1.

For SFAs that support more than one CAO, how will the costs/FTEs of the SFAs be shared among the participating CAOs?

Answer: Each District will provide the FTEs for the SFA coverage. The District will determine the increment of funding required and provide to the CAOs that have an SFA.

Question #2.

Can an office that currently has an SME keep them in addition to SFAs?

Answer: An office that currently has an SME can retain the SME who may assist the SFA, but not substitute for the primary SFA mission.

Question #3.

Can you describe the final SFA selection process?

Answer: Yes. The District Operations Director will chair the CAO SFA selection panel. Two CAO Commanders may be on the panel as well as appropriate District functional staff. Announcements will be District-wide for all SFA positions. Applicants may specify certain geographic areas. Interviews may include functional specialty questions and role playing. The ability to communicate, train and coach in the functional specialty is a key element of the SFA mission.

Question #4.

Can you describe the final SFA allocation process and look at other service ratios?

Answer: Yes. The servicing ratio, 1:90, was adjusted for geography by the SFA Team and the East and West Districts. Other ratios were also considered. Since this is a new function and there are resource constraints, we decided to leave the adjusted 1:90 ratio for now. We will monitor through District and CAO feedback. The Districts will finalize the specific allocations and duty stations.

Senior Functional Advisors
“Frequently Asked Questions” (Continued)

Question #5.

Can the SFA function be outsourced?

Answer: No. These are DCMC’s core competencies and the primary areas for which customers come to us.

Question #6.

How will we address specialty functions (QA, commodities, etc.) under SFA?

Answer: There will be SFAs for QA. If specific commodity related guidance is needed beyond that of the designated SFA for a CAO, the SFA through the DCMC-wide SFA network will be able to find someone with the commodity expertise to provide additional support.

Question #7.

How will we rotate SFAs to supervisory positions? What are the issues?

Answer: We do not see a formal rotation program to supervisory positions for the SFAs. SFAs, like anyone else, can apply for supervisory positions. We do not see a formal rotation program to other positions at this time. However, there is value to having SFAs develop their expertise through other assignments. Some non-supervisory positions to consider are DACO, CACO, DCE, Customer Liaison, District and HQ staff.

Question #8.

Will SFAs be in the bargaining unit?

Answer: The SFAs are non-supervisory and will be included in the bargaining unit at the CAO and District levels. At the HQ DCMC level, the SFAs are also non-supervisory positions, but are considered “Management Officials” due to their policy involvement and will be not be in the bargaining unit.

Senior Functional Advisors

“Frequently Asked Questions” (Continued)

Question #9.

What is the relationship between the TAG role and that of the SFA?

Answer: Where there are SFAs assigned, they are members of the TAG for day-to-day support. However, they report to the District SFA Chief for appraisal purposes. If the TAG has an SME, the SME may assist the SFA, but the SFA is the person accountable for the SFA mission.

Question #10.

Why not combine contracts and pricing - pricing has changed. Do we need a separate SFA?

Answer: Pricing is still a core function that customers seek from DCMC. Customers are reducing or deleting their own pricing shops. The approach for pricing may include IPT Pricing.